Re-positioning Housing at the Centre of Urban Development

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Presentation Overview

1. Making the case for Housing
2. Regional Housing Perspectives
3. Housing and the New Urban Agenda
4. Housing Strategies: UN-Habitat’s three-pronged approach
5. Housing at the Centre in Practice
1 Making the case for Housing
Today, around one quarter of the world’s population lives in slums and informal settlements.
As urban population continues to grow, so does housing demand: by 2025, a billion new units will be needed to accommodate 50 million new urban dwellers per year.
Affordable housing is often inadequate. Adequate housing is often unaffordable.
Housing occupies on average 70% of the surface of a city. Yet, housing policy and planning have generally not been prioritized.
Mortgages remain much more accessible to high or medium income households, excluding most low-income households.
Homes account for about 20% of energy consumption. For more environmentally sustainable cities, we need more environmentally sustainable housing solutions.
Every year, millions of people continue to be forcibly evicted, without consultation or fair compensation.
Inadequate housing increases vulnerability to disease transmission and other hazards. On average, the urban poor live 15-20 years less than the urban rich.
Regional perspectives on housing
Housing in the Asia-Pacific Region: Three groups

Countries with mature economies that possess more sophisticated markets, and are supported by diverse financial options.

Emerging economies have variable interventions in the housing sector, composed of young and rapidly growing real estate markets.

A third group where the living conditions in developing societies vary the most, where real estate markets are young and untapped, and the provision of housing and infrastructure to the rapidly expanding urban population is a major obstacle.
Housing in the Asia-Pacific Region: Burning issues

- Extraordinary **economic growth** and **demographic transition** over the last 20 years
- The continent accounts to **more than half of the global slum dwellers**, and many countries still have a largely **rural population** without adequate housing or basic services.
- **Urban renewal** is an increasingly relevant topic on the urban agenda.
- Challenges specifically acute for **women** on topics such as **land tenure and housing ownership**.
3 Housing and the New Urban Agenda
Why do we need a new approach to cities?

“For too long we have put the economy and jobs at the centre of city planning and development. People are what make cities and they would follow the jobs. It is now necessary to think about people’s needs and aspirations, including where they will live, and put them at the centre of city development” - Dr. Joan Clos, Executive Director of UN-Habitat

880 Million People are currently living in slums in developing countries

6 Out of 10 People expected to reside in urban areas by 2030

90 Percent Of urban growth by 2030 will take place in Africa, Asia, Latin America and the Caribbean
Wait, what was the “old” urban agenda?

Before the NUA:
• 1976 Vancouver Declaration, adopted after the Habitat I conference
• 1996 Habitat Agenda, adopted after the Habitat II conference, in Istanbul

Main points:
• adequate shelter for all
• sustainable human settlements in an urbanizing world
• enabling approach

Achievements:
Over 100 countries have constitutionalised the right to adequate housing.

Failure:
• “Enabling” approach of the past decades has not delivered for the urban poor
• Reduced their investments in cities and slashed urban programmes.
So, what's new in the new urban agenda when it comes to housing?

**HABITAT AGENDA**
1. enabling
2. shelter dominated
3. new construction

**NEW URBAN AGENDA**
1. investing
2. holistic approach / leave no one behind
3. upgrading/regeneration
The “Government-enabling” approach of the past decades has not delivered for the urban poor. A more pro-active approach must be adopted.
enabling investing

Social housing through direct State provision

1970s 1980s 1990s 2000s 2010s...

Acknowledgement and upgrading of informal settlements


1976 Vancouver Declaration and Plan of Action
1980 Shelter, poverty and basic needs (World Bank)
1988 Global Shelter Strategy
1992 Agenda 21
1993 Enabling Housing Markets to Work (World Bank)
1996 Istanbul Declaration on Human Settlements - Habitat Agenda
2000 MDG United Nations Millennium Declaration
2001 Declaration on Cities and Other Human Settlements
2013 UN-Habitat Global Housing Strategy
Post 2015 SDG
2016 New Urban Agenda ‘Housing at the Centre’
Example: Baan Eua-Athorn or ‘One million housing programme’ in Thailand

Thai National Housing Authority responsible for ensuring 600,000 housing units by 2007

In 2005, production had come to only 115,200 units
Access to housing is closely linked to human rights. Finding solutions through policy, planning and financing for the poorest and most vulnerable is crucial.

2 DEVELOP A HOLISTIC APPROACH
Adequate housing is more than “a roof and 4 walls”

1 - Security of tenure
2 - Availability of services
3 - Affordability
4 - Habitability
5 - Accessibility
6 - Location
7 - Cultural adequacy
Meeting demand for new affordable housing AND upgrading the existing housing stock.
Why we need ‘Housing at the Centre’

- Position housing as a priority in the public debate around urbanization
- Re-establish the important role housing has in development
- Housing is more than a roof and four walls
- The right to live somewhere in security, peace and dignity
- Places people and human rights at the forefront of urban sustainable development
Expected results

- **A Paradigm shift** in the thinking and practice of housing at all levels
- Increased **awareness and commitment** and stronger regulation and intervention in housing market
- **Strengthened government intervention**, beyond enablement towards a leadership role
- A **renewed cycle of support and investments** from different parties: governments, international development organizations, private sector and civil society
- A **significant and measurable improvement** of housing and living conditions for all
Driving the NUA - the mandate of UN-Habitat

UN-Habitat is committed to supporting national and local governments to promote sustainable urbanisation and adequate housing for all.

- **ADVISORY SERVICES + TECHNICAL SUPPORT**
  - Piloting innovative housing mechanisms

- **CAPACITY BUILDING + KNOWLEDGE INFORMATION**
  - Normative
  - Operational
  - Knowledge creation and sharing

- **ADVOCACY + AD HOC SUBSTANTIVE ACTIVITIES**
  - Advocacy
    - Technical support and policy advice

Unique for UN-Habitat
UN Habitat moving to New Urban Agenda

Habitat II

2012

Review of Global Shelter Strategy
• Regional assessments
• Global review
• Roadmap for GHS

Habitat III

2016

Towards a new Global Housing Strategy
• Principles and Framework
• Resolution 24/9
• Piloting in selected countries

Housing at the Centre of the New Urban Agenda
• Re-establish link housing and planning
• Beyond enabling: awareness, commitment and involvement of governments
• People-centered planning – ‘place matters’

Review of Global Shelter Strategy

Towards a new Global Housing Strategy

Housing at the Centre of the New Urban Agenda

POLICY CITIES PEOPLE
Housing Strategies: a three-pronged approach
UN-Habitat’s 3-Pronged Approach (3PA)

Planning and Design for Housing

Regulation for Housing

Housing Finance

H@C
Housing at the Centre
Planning and designing for housing
3PA for Housing

Planning

H@C
Housing at
the Centre

Regulation

Finance

- integration
- what surrounds housing
- growth framework
- Human rights principles
- participation
- decision-making
- plan of action
- mix-use
Planning and designing housing affects and is affected by innumerable fronts:

- **Environmental** factors
- Issues that are direct consequences of *inadequate planning*
- **Rapid** urbanization processes
- Growth of spatial and socio-economic *inequalities*
- **Socio-economic** and *political* processes
Planning for Housing at the National Level

- Housing policies and strategies should be integrated into urban development
- Planning must use a growth framework
- Roles and responsibilities should provide space for decision-making
Planning for Housing at the National Level

• **Participation** is key

• Policies should include a **plan of action**, time frame, financial plan, M&E plan

• **Human rights principles** are the basis
Planning for Housing at the Local Level

• Housing should account for what surrounds housing

• Urban design should take into account reliable and affordable transport oriented development

• Design should be mix-use
Planning for Housing at the Local Level

• Urban planners and designers should take the leading role

• Urban planning policies and design will help realise adequate housing for all, if they take into account they are inclusive and participatory

• Housing design has the power of improving urban efficiency
Regulation for housing
3PA for Housing

Planning
- modalities of tenure
- flexible land tenure
- participation
- land registration
- local materials
- sustainable technologies
- simplification

Regulation
- co-financing
- co-operatives
- forced evictions

Finance
- flexible land tenure
- participation
Regulation Principles

• Regulation helps ensure housing is constructed in a safe, efficient, and carefully planned manner
• Regulations can and should balance market development with low-cost housing
• Affordable housing can be created through incentives and provisions
• Governments need to understand the housing demand, not just the supply side
• Importance of demographics
• Excessive regulation drives up cost and time:
  • Excessive building codes, lengthy permitting processes
  • Building codes relevant and fit local realities
Regulation in Practice

- Recognise different modalities of housing tenure and construction
- Regulating/allowing housing cooperatives as well as co-financing
- Protecting against forced evictions
- Land tenure must be made flexible
- Housing legislation should facilitate the participation of all groups of society
- Building codes must promote sustainable technologies and use of local materials
- Land registration procedures for housing should be simplified
Regulatory Strategy: Inclusionary Zoning

- Inclusionary zoning (IZ): aims to create additional affordable housing through regulation of private market development.
- Expected benefits:
  - increase the share of affordable housing or
  - break up the socioeconomic and/or racial segregation of a city.
- IZ requires developers to set-aside a % of units in their buildings for sale or rent at below-market rates.
- Offer the developer an incentive to off-set the cost of affordable units- such as additional units, density or FAR
- Inclusionary zoning is only an effective policy in a rapidly growing city.
Financing for housing
3PA for Housing

H@C
Housing at the Centre

Planning
Regulation
Finance

fiscal planning
budgeting
public financing
resource allocation
optimisation
innovative finance mechanisms
civil society
private sector
inclusive finance
Financing for housing

- Improve **access** to financing for:
  - home ownership, rental assistance, subsidies
  - development costs

- Integrate **fiscal planning and budgeting**

- **Optimize** public financing and **resource allocation** to housing programmes

- Strategically **collaborate with private and civil society**

- Engage in the **development of innovative and inclusive housing finance mechanisms**
Financing Mechanisms: examples

- Collective savings programs: build up savings, reduce mortgage size
- De-risking, guaranteeing, or subsidizing developer financing
- Cooperative Housing Models
- Revolving Loan Funds
- Collective Ownership
Sharing revenue example: Guangzhou, China

- Population boom for the past two decades; almost a ¼ million people had no access to affordable housing.
- Attempts to stimulate the supply led to poor quality construction and sub-standard management.
- In 2009, allocation of 13% of revenues from land leases & development rights to subsidize affordable housing.
- By end of 2011, all 77,177 target households were benefiting from affordable housing.
Ways Forward on Financing Affordable Housing

- **Combination of housing cooperatives and banks**
  - Tripartite arrangements Banque de l’Habitat Senegal
  - Kenya NACHU: savings and credit mobilization for cooperatives

- **Financing for the informal sector**
  - Morocco Fogarim guarantee scheme (10 years and 20% of market share)

- **Housing microfinance** – loans for home improvements (incremental housing and self construction)
  - Angola KixiCredito
UN-Habitat’s Contribution to Housing Finance

- Facilitator role for housing finance inclusion

- Community of practice on Affordable Housing Finance: Global networks of partners governments, DFIs, international development actors, academia and civil society

- Knowledge creation and sharing – publications, guidelines and training

- Piloting innovative housing finance mechanisms (SUF and ERSO)
5 Housing at the Centre in Practice
Housing at the Center is…

Sufficient SOCIAL HOUSING
Healthy RENTAL SECTOR
AFFORDABILITY
ACCESSIBLE and WELL LOCATED
No OVERCROWDING
KEY ISSUES OF HOUSING-AT-THE-CENTER

SUFFICIENT SPACE TO LIVE
IS OVERCROWDING A PROBLEM?
MAX 15% LIVES IN UNITS WITH LESS THAN 10 SQM

ACCESS TO PUBLIC TRANSPORT
HOW WELL ARE HOMES LOCATED?
NOT MORE THAN 45 MINUTES TO WALK TO PUBLIC TRANSPORT

SOCIAL HOUSING
ARE THERE SUBSIDIES, RENT-CAPS OR PUBLIC UNITS?
~20% OF TOTAL UNITS SHOULD BE REGULATED.

RENTAL HOUSING
IS FLEXIBLE TENURE A SECURE OPTION?
~30% OF TOTAL UNITS SHOULD BE RENTAL

INCOME / HOUSING RATIO
IS HOUSING AND TRANSPORTATION AFFORDABLE?
THIS RATIO SHOULD BE ~3
Housing at the Center is...

20% SOCIAL HOUSING
TARGETING THE MOST POOR AND VULNERABLE
Housing at the Center is...

30% RENTAL HOUSING
Housing at the Center is...

INCOME / HOUSING RATIO OF 3
Housing at the Center is…

ACCESS TO PUBLIC TRANSPORT
TIME SPENT TO WALK TO PUBLIC TRANSPORTATION IS NOT MORE THAN 45 MIN
Housing at the Center is...

SUFFICIENT SPACE TO LIVE
SHARE OF POPULATION IN HOUSING UNITS WITH LESS THAN 10 SQM IS NOT MORE THAN 15%
Outliers identified when being compared to baseline.

Outliers discussed in fact sheet and put into principle’s context.
Housing at the Center in practice

12 principles
24 fact sheets
Housing at the Center in CHINA

- **SUUFFICIENT SPACE TO LIVE**: 20% of population in housing units with less than 10 sqm
- **WELL CONNECTED**: 30 min to walk to public transportation
- **INCOME / HOUSING RATIO OF 5**: Sufficient affordable housing
- **23% SOCIAL HOUSING**: High public effort to make housing affordable
- **18% RENTAL HOUSING**: Emphasis on home ownership

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**UN-Habitat**

For a better urban future.
Thank you

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